GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:182
ANSWERED ON:03.08.2001
FALL IN PRODUCTION IN PSUS
DINSHA J. PATEL;SHYAMA SINGH

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned `Major PSUs output dips` appearing in the Statesman dated May 9,2001;

(b) if so, the facts of the matter reported therein;

(c) whether the overall production growth of PSUs have fallen considerably during the year 2000-2001;

(d) if so, the factors responsible for such a steep fall in production growth of PSUs; and

(e) the steps taken by the Government to achieve the target of production growth of PSUs.

Answer

MINISTER FOR HEAVY INDUSTSRIES AND PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No.182 to be answered on 03.08.2001 regarding fall in production in PSUs raised by Smt. Shyama Singh and Shri Dinsha Patel.

(a) Yes, Sir.

(b) & (c): The news item refers to the negative growth in production of PSUs under the Department of Heavy Industry (DHI) during 2000-2001. PSUs under DHI achieved a total production of Rs.11175 crore in 2000-2001 as compared to the production of Rs.11240 crore achieved in 1999-2000 signifying a marginal fall of 0.57%.

(d): The basic reasons for decline in production are shortage of working capital, paucity of orders, obsolete technology and high cost of production due to many factors including excessive manpower. With regard to PSUs which have registered steep decline, it may be mentioned that Mining & Allied Machinery Corporation (MAMC), Tyre Corporation of India Limited (TCIL), Cement Corporation of India Limited (CCI) and Heavy Engineering Corporation (HEC) are sick companies under reference to Board for Industrial and Financial Reconstruction (BIFR). BIFR has already given order for winding up of MAMC. Permission for closure of Tangra Unit of TCIL has been given. Most of the units of CCI are non-operational. HMT is in the midst of implementing a rehabilitation package approved by the Government

(e) Efforts for revival of PSUs include financial restructuring wherever appropriate, implementation of rehabilitation schemes to improve long term viability through BIFR in case of sick PSUs and independently in case of others. The Government also gives financial support for investment for de-bottlenecking, urgent renewals/replacements etc. and non-plan support for rationalization of manpower etc. The government also gives assistance in securing orders and recovery of dues.